TABLE 1

The Office action of November 29, 2005, has been carefully considered. Claims 14 through 30 have been rejected under 35 USC 102 (b) over the Roberts et al.

In response to the Office action of November 29, 2005, where it was proposed that the art as disclosed by Roberts et al. suggest the system and method to suggest preserving an existing asset, and *calculating market values for a range of future investments using the discount value of* the asset and the preferred term of the investment. Further, figures 6A & 6B are open to interpretation such that the investor could be making the portfolio selection from the options provided. Figures 6A and 6B in Roberts et al's patent have been particularly cited in the previous and current Actions.

The applicant submits that the Roberts et al patent does not have the same object as that of the claimed invention, and does not support the same series of steps as the claimed invention.

Use of Terms	Roberts et al.	Applicant/Inventor
Existing Asset	FRZCN that is bought by the Insurance Manager, as the underlying asset of the FRZCN insurance policy.	Clients Asset (e.g. house) either a form of a physical or notional asset.
Calculated Market Values	This is a calculation of the Market Value of schedule FRZCN bought by the Manager with premiums received or on an extended loan (forwarded automatically by the Manager) based on a number of projections made by the manager along with FRZCN market prices.	This is the calculated 'Money Bought' amount where the 'Discount Value', is used to buy a leveraged futures contract, while using the Market Prices of leveraged futures contracts.
Futures Investment	The Office action (29/11/05) the examiner is seen to replace the meaning of the claimed invention term 'Futures Investment' with the term 'Future Investment'. Here Roberts et al. refers to the prospect of an Investment in the FRZCN sometime in the future, as opposed to a leverage futures contract.	Investment in a speculative leveraged futures contract that does not readily provide an income stream and is generally non deliverable.
Discount Value	The Office action (29/11/05) the examiner is seen to replace the meaning of the claimed invention term 'Discount Value' with the term 'Discount Rate', which is the 'Internal rate of return' of the expected yield of the portfolio	A Discount Value is, in the claimed invention, is the 'present value of the of the expected income'
Portfolio Selection	Roberts et al has in its portfolio a schedule of interest-bearing assets FRZCNs, and relies on its element of certainty to cover liability streams.	In the claimed invention we have a 'one asset' Portfolio Selection (in a sense) that is the speculative leveraged futures contract, where the client is considered as its own custodian of extra private funds.

TABLE 2

The Office action of November 29, 2005, has been carefully considered. Applicants list of page references used in support of remarks:

- Fig 1C 136 'Update **Asset Portfolio'**
- Pp 9 'automatically reduces the number of floating rate zero coupon....increase the # of FRZCN
- Fig 5A 516 PVDR(M) <- Yield (M) <- Risk(M)- Profit (M)
- Pp 16 ln 29 35 'PVDR is the **discount rate** used to convert the projected future cost of the service or commodity, whose uncertain future cost as of the date of the FRZCN is scheduled to mature is to defeased............
- Fig 5A 507 Calculate FVER "Future Value of Escalation Cost
- Fig 6A 605 **Current Market Value** of Asset Portfolio (Assets) FRZCN from Fig 1C 136
- Pp 18 ln 54,55 'schedule of expected period-by-period **future cash death benefit** obligations, which must be covered by the stream of cash flow from the asset'
- Pp 1 ln 37-40 '....cost of some specified service or commodity and its interest payments are automatically reinvested, so as **to fund fully** the currently uncertain cost of the service or commodity at a future date.'
- Pp 1 ln 40-45 'When all the interest payments are reinvested, the value of the floating rate zero coupon note (initial principal plus accrued and reinvested interest) increases over time **in a manner that assumes,** that the value of the FRZCN as of its maturity date equals........cost of the service....defeased'
- Pp 2 ln 19-52 'However, the risk of **under funding** is fully eliminated only if the purchaser pays in full the purchase price of one full unit of the FRZCN...'
- Pp 4 ln 19-22 '...so that the average yield on the investment portfolio **at least matches** the projected cost of the life insurance liabilities...'
- Pp 5 ln 27 '**determine** the annual premium....determine the appropriate charge....determine the amount of any death benefit....'
- Pp 9 ln 40-55 '**automatically reduces** the number of FRZCN.....
- Pp 20 ln 39-44 '**the portfolio selected must pass tests** 619 & 620